



Reprinted  
February 17, 2009

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## HOUSE BILL No. 1554

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DIGEST OF HB 1554 (Updated February 16, 2009 1:51 pm - DI 101)

**Citations Affected:** IC 4-4; IC 5-22.

**Synopsis:** Alternative fuel incentives and clean energy vehicles. Allows the office of energy and defense development (office) to award grants to certain businesses and local government units that make qualified investments after June 30, 2009, to install and place into service in Indiana fueling stations that dispense alternative fuel (defined as liquefied petroleum gas, a compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product). Provides that not more than one grant may be awarded for a single location. Provides that the amount of a grant awarded for a location may not exceed the lesser of: (1) the amount of the grant recipient's qualified investment for the location; or (2) \$20,000. Provides that the amount of a grant awarded for a location may be less than the amount of the grant recipient's qualified investment for the location. Provides that the total amount of grants awarded for all state fiscal years may not exceed \$1,000,000. Establishes the alternative fuel fueling station grant fund to award the grants, and provides that the office shall administer the fund. Allows the office to award grants to certain local government units that make qualified purchases after June 30, 2009, of: (1) one or more alternative fuel vehicles; or (2) one or more alternative fuel conversion kits. Provides that not more than one grant may be awarded to any one unit. Provides that the amount of a grant that may be awarded to a unit is the sum of: (1) \$2,000 multiplied by the number of alternative fuel vehicles purchased; plus (2) for each alternative fuel conversion kit purchased, an amount equal to the lesser of \$2,000 or the actual cost of the conversion kit. Provides that the

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**Effective:** July 1, 2009.

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### Battles, Dvorak, Koch, Lutz

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January 16, 2009, read first time and referred to Committee on Environmental Affairs.  
February 12, 2009, amended, reported — Do Pass.  
February 16, 2009, read second time, amended, ordered engrossed.

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HB 1554—LS 7064/DI 73+



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office may limit number of alternative fuel vehicles or alternative fuel conversion kits for which a unit may receive a grant. Provides that the total amount of grants awarded for all units may not exceed \$1,000,000. Establishes the local unit alternative fuel vehicle grant fund to award the grants. Provides that the office shall administer the fund. Provides that if the state purchases or leases a vehicle after December 31, 2009, it must purchase or lease a clean energy vehicle unless the department of administration determines that the purchase or lease of a clean energy vehicle: (1) is inappropriate because of the purposes for which the vehicle will be used; or (2) is not economically feasible. Specifies that these requirements do not apply to the: (1) purchase or lease of vehicles by or for the state police department; and (2) short term or temporary lease of vehicles. Requires the department of administration to adopt rules or guidelines to provide a preference for the purchase or lease by state entities of clean energy vehicles manufactured wholly or partially in Indiana or containing parts manufactured in Indiana. Provides that before August 1 of 2010 and each year thereafter, each state entity shall submit to the department of administration information regarding the use of clean energy vehicles and alternative fuels by the state entity. Requires the department of administration to submit a report to the general assembly and to the governor before September 1 of 2010 and each year thereafter that lists the information for each state entity and for all state agencies in the aggregate.

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Reprinted  
February 17, 2009

First Regular Session 116th General Assembly (2009)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2008 Regular Session of the General Assembly.

## HOUSE BILL No. 1554

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A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 4-4-32.2 IS ADDED TO THE INDIANA CODE  
2 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2009]:

4       **Chapter 32.2. Alternative Fuel Fueling Station Grant Program**

5       **Sec. 1. As used in this chapter, "alternative fuel" means**  
6 **liquefied petroleum gas, a compressed natural gas product, or a**  
7 **combination of liquefied petroleum gas and a compressed natural**  
8 **gas product, not including a biodiesel fuel or biodiesel blend, used**  
9 **in an internal combustion engine or a motor to propel a motor**  
10 **vehicle. The term includes all forms of fuel commonly or**  
11 **commercially known or sold as butane, propane, or compressed**  
12 **natural gas.**

13       **Sec. 2. As used in this chapter, "alternative fuel compatible",**  
14 **with respect to a fueling station, means capable of storing and**  
15 **delivering alternative fuel in conformance with any governmental**  
16 **or other nationally recognized standards that apply to the storage**  
17 **and handling of alternative fuel, as determined under standards**

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adopted by the office under section 12(1) of this chapter.

Sec. 3. As used in this chapter, "fueling station" refers to tangible property (other than a building and its structural components) that:

(1) consists of:

(A) a tank or other storage unit;

(B) a pump or other dispensing equipment; and

(C) other components; and

(2) is used by:

(A) a person engaged in the business of selling motor fuel at retail, to enable motor fuel to be dispensed directly into the fuel tank of a customer's motor vehicle;

(B) a person engaged in a business, other than a business described in clause (A), to enable motor fuel to be dispensed directly into the fuel tank of a motor vehicle, if the fueling station is accessible to members of the public; or

(C) a unit to enable motor fuel to be dispensed directly into the fuel tank of a motor vehicle, regardless of whether the fueling station is accessible to members of the public.

Sec. 4. As used in this chapter, "location" refers to one (1) or more parcels of land that:

(1) have a common access to a public highway; and

(2) are or would appear to the reasonable person making an observation from a public highway to be part of the same business.

Sec. 5. (a) As used in this chapter, "motor fuel" has the meaning set forth in IC 6-6-4.1-1(g).

(b) The term includes alternative fuel.

Sec. 6. As used in this chapter, "motor vehicle" has the meaning set forth in IC 15-11-11-4.

Sec. 7. As used in this chapter, "office" refers to the office of energy and defense development.

Sec. 8. As used in this chapter, "qualified investment" refers to an ordinary and usual expense that is incurred after June 30, 2009, to purchase any part of an alternative fuel compatible fueling station for the purpose of:

(1) installing a new alternative fuel compatible fueling station at a location on which a fueling station is not located; or

(2) replacing an existing fueling station that is not an alternative fuel compatible fueling station with a fueling station that is an alternative fuel compatible fueling station.

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1        **Sec. 9.** As used in this chapter, "unit" means a county, city,  
2 town, township, or school corporation.

3        **Sec. 10. (a)** Subject to subsections (b) and (c), the office may  
4 award a grant under this chapter to a person or unit that:

5            (1) makes a qualified investment; and

6            (2) places the alternative fuel compatible fueling station for  
7 which the qualified investment was made into service;  
8 in Indiana for the dispensing of alternative fuel into the fuel tanks  
9 of motor vehicles.

10        (b) A recipient of a grant awarded under this chapter must  
11 comply with any guidelines developed by the office in connection  
12 with grants awarded under this chapter.

13        (c) The office may not award more than one (1) grant under this  
14 chapter for a single location.

15        **Sec. 11. (a)** Subject to subsection (b) and section 13 of this  
16 chapter, the office shall determine the amount of each grant  
17 awarded under this chapter.

18        (b) The amount of a grant awarded under this chapter for a  
19 location may not exceed the lesser of the following:

20            (1) The amount of the grant recipient's qualified investment  
21 for the location.

22            (2) Twenty thousand dollars (\$20,000).

23        (c) The amount of a grant awarded under this chapter for a  
24 location may be less than the amount of the grant recipient's  
25 qualified investment for the location.

26        **Sec. 12.** The office shall do the following:

27            (1) Adopt guidelines to determine standards for awarding  
28 grants under this chapter, including standards for  
29 determining whether a fueling station complies with  
30 applicable governmental or other nationally recognized  
31 standards that apply to the storage and handling of  
32 alternative fuel.

33            (2) Prepare and supervise the issuance of public information  
34 concerning the grant program established under this chapter.

35            (3) Prescribe the form for and regulate the submission of  
36 applications for grants under this chapter.

37            (4) Determine an applicant's eligibility for a grant under this  
38 chapter.

39        **Sec. 13.** The total amount of grants awarded under this chapter  
40 for all state fiscal years may not exceed one million dollars  
41 (\$1,000,000).

42        **Sec. 14. (a)** The alternative fuel fueling station grant fund is

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1 established to provide grants under this chapter. The fund shall be  
2 administered by the office.

3 (b) The fund consists of:

4 (1) money appropriated to the fund by the general assembly;

5 (2) money received from state or federal grants or programs  
6 for alternative fuels projects; and

7 (3) donations, gifts, and money received from any other  
8 source, including transfers from other funds or accounts.

9 (c) The treasurer of state shall invest the money in the fund not  
10 currently needed to meet the obligations of the fund in the same  
11 manner as other public funds may be invested.

12 (d) Money in the fund at the end of a state fiscal year does not  
13 revert to the state general fund but remains in the fund to be used  
14 exclusively for purposes of this chapter.

15 (e) Money in the fund is continuously appropriated for the  
16 purposes of this chapter.

17 Sec. 15. A grant awarded under this chapter is not subject to  
18 taxation under IC 6-3-1 through IC 6-3-7.

19 Sec. 16. A grant awarded under this chapter does not reduce the  
20 basis of the qualified property for purposes of determining any  
21 gain or loss on the property when the grant recipient disposes of  
22 the property.

23 SECTION 2. IC 4-4-32.3 IS ADDED TO THE INDIANA CODE  
24 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
25 JULY 1, 2009]:

26 Chapter 32.3. Alternative Fuel Vehicle Grant Program for  
27 Local Units

28 Sec. 1. As used in this chapter, "alternative fuel" means  
29 liquefied petroleum gas, a compressed natural gas product, or a  
30 combination of liquefied petroleum gas and a compressed natural  
31 gas product, not including a biodiesel fuel or biodiesel blend, used  
32 in an internal combustion engine or a motor to propel a motor  
33 vehicle (as defined in IC 15-11-11-4). The term includes all forms  
34 of fuel commonly or commercially known or sold as butane,  
35 propane, or compressed natural gas.

36 Sec. 2. As used in this chapter, "alternative fuel conversion kit"  
37 means any equipment used to convert a motor vehicle (as defined  
38 in IC 15-11-11-4) that is not an alternative fuel vehicle into an  
39 alternative fuel vehicle, in conformance with any applicable  
40 governmental or other nationally recognized safety or design  
41 standards, as determined under standards adopted by the office  
42 under section 8(1) of this chapter.

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1        **Sec. 3.** As used in this chapter, "alternative fuel vehicle" means  
 2 any motor vehicle (as defined in 15-11-11-4) that is designed to  
 3 operate:

4            (1) on alternative fuel alone; or

5            (2) on alternative fuel alternately with another fuel source;  
 6 in conformance with any applicable governmental or other  
 7 nationally recognized safety or design standards, as determined  
 8 under standards adopted by the office under section 8(1) of this  
 9 chapter.

10        **Sec. 4.** As used in this chapter, "office" refers to the office of  
 11 energy and defense development.

12        **Sec. 5.** As used in this chapter, "qualified purchase" refers to  
 13 the purchase by a unit after June 30, 2009, of any of the following:

14            (1) One (1) or more alternative fuel vehicles.

15            (2) One (1) or more alternative fuel conversion kits, including  
 16 any installation costs.

17        **Sec. 6.** As used in this chapter, "unit" means a county, city,  
 18 town, township, or school corporation.

19        **Sec. 7.** (a) Subject to subsections (d) and (e), the office may  
 20 award a grant under this chapter to a unit that makes a qualified  
 21 purchase.

22            (b) Subject to subsection (c) and section 9 of this chapter, the  
 23 amount of a grant that may be awarded under this chapter to a  
 24 unit equals the amount determined under STEP FOUR of the  
 25 following formula:

26            **STEP ONE:** Determine the product of:

27                    (A) two thousand dollars (\$2,000); multiplied by

28                    (B) the number of alternative fuel vehicles purchased by  
 29 the unit.

30            **STEP TWO:** For each alternative fuel conversion kit  
 31 purchased by the unit, determine the lesser of:

32                    (A) two thousand dollars (\$2,000); or

33                    (B) the actual cost of the alternative fuel conversion kit.

34            **STEP THREE:** Determine the sum of all amounts determined  
 35 under STEP TWO.

36            **STEP FOUR:** Add the amounts determined under STEPS  
 37 ONE and THREE.

38            (c) In the guidelines adopted by the office under section 8(1) of  
 39 this chapter, the office may limit the:

40                    (1) number of alternative fuel vehicles; or

41                    (2) number of alternative fuel conversion kits;

42 for which a unit may receive a grant under this chapter.

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(d) A recipient of a grant awarded under this chapter must comply with any guidelines developed by the office in connection with grants awarded under this chapter.

(e) The office may not award more than one (1) grant under this chapter to any one (1) unit.

**Sec. 8.** The office shall do the following:

(1) Adopt guidelines to determine standards for awarding grants under this chapter, including standards for determining whether an alternative fuel vehicle or an alternative fuel conversion kit complies with applicable governmental or other nationally recognized standards.

(2) Prepare and supervise the issuance of information to units concerning the grant program established under this chapter.

(3) Prescribe the form for and regulate the submission of applications for grants under this chapter.

(4) Determine an applicant's eligibility for a grant under this chapter.

**Sec. 9.** The total amount of grants awarded under this chapter for all units may not exceed one million dollars (\$1,000,000).

**Sec. 10. (a)** The local unit alternative fuel vehicle grant fund is established to provide grants under this chapter. The fund shall be administered by the office.

**(b)** The fund consists of:

(1) money appropriated to the fund by the general assembly;

(2) money received from state or federal grants or programs for alternative fuels projects; and

(3) donations, gifts, and money received from any other source, including transfers from other funds or accounts.

**(c)** The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

**(d)** Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for purposes of this chapter.

**(e)** Money in the fund is continuously appropriated for the purposes of this chapter.

**SECTION 3.** IC 5-22-5-8.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]: **Sec. 8.5. (a)** As used in this section, "clean energy vehicle" means a vehicle that operates on two (2) or more of the following energy sources:

(1) A rechargeable energy storage system.

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- (2) Gasoline.
- (3) Diesel fuel.
- (4) Hydrogen.
- (5) Compressed air.
- (6) Compressed or liquid natural gas.
- (7) Solar energy.
- (8) Any other alternative fuel (as defined in IC 6-3.1-31.9-1).

(b) As used in this section, "state entity" means the following:

- (1) A state agency.
- (2) Any other authority, board, branch, commission, committee, department, division, or other instrumentality of the executive (including the administrative), legislative, or judicial department of state government. The term includes a state elected official's office and a state educational institution.

(c) As used in this section, "vehicle" includes the following:

- (1) An automobile.
- (2) A truck.
- (3) A tractor.

(d) Except as provided in subsection (e), if a state entity purchases or leases a vehicle after December 31, 2009, it must purchase or lease a clean energy vehicle unless the Indiana department of administration determines that the purchase or lease of a clean energy vehicle:

- (1) is inappropriate because of the purposes for which the vehicle will be used; or
- (2) is not economically feasible.

(e) The requirements of subsection (d) do not apply to the:

- (1) purchase or lease of vehicles by or for the state police department; and
- (2) short term or temporary lease of vehicles.

(f) The Indiana department of administration shall before January 1, 2010, adopt rules or guidelines to provide a preference for the purchase or lease by state entities of clean energy vehicles manufactured wholly or partially in Indiana or containing parts manufactured in Indiana.

(g) Before August 1 of 2010 and each year thereafter, each state entity shall submit to the Indiana department of administration information regarding the use of clean energy vehicles by the state entity. The information must specify the following for the preceding state fiscal year:

- (1) The amount of alternative fuels purchased by the state

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- 1 entity.  
2 (2) The amount of conventional fuels purchased by the state  
3 entity.  
4 (3) The average price per gallon paid by the state entity for  
5 each type of fuel purchased by the state entity.  
6 (4) The total number of vehicles purchased or leased by the  
7 state agency that were clean energy vehicles and the total  
8 number of vehicles purchased or leased by the state agency  
9 that were not clean energy vehicles.  
10 (5) Any other information required by the Indiana  
11 department of administration.  
12 (h) Before September 1 of 2010 and each year thereafter, the  
13 Indiana department of administration shall submit to the general  
14 assembly in an electronic format under IC 5-14-6 and to the  
15 governor a report that lists the information required under  
16 subsection (g) for each state entity and for all state agencies in the  
17 aggregate.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Environmental Affairs, to which was referred House Bill 1554, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 2, line 17, after "to the" insert ":

**(1) purchase or lease of vehicles by or for the state police department; and**

**(2) short term or temporary lease of vehicles."**

Page 2, delete line 18.

and when so amended that said bill do pass.

(Reference is to HB 1554 as introduced.)

DVORAK, Chair

Committee Vote: yeas 7, nays 0.

## HOUSE MOTION

Mr. Speaker: I move that House Bill 1554 be amended to read as follows:

Delete the title and insert the following:

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration and to make an appropriation.

Page 1, between the enacting clause and line 1, begin a new paragraph and insert:

"SECTION 1. IC 4-4-32.2 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

**Chapter 32.2. Alternative Fuel Fueling Station Grant Program**

**Sec. 1. As used in this chapter, "alternative fuel" means liquefied petroleum gas, a compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product, not including a biodiesel fuel or biodiesel blend, used in an internal combustion engine or a motor to propel a motor vehicle. The term includes all forms of fuel commonly or commercially known or sold as butane, propane, or compressed natural gas.**

**Sec. 2. As used in this chapter, "alternative fuel compatible", with respect to a fueling station, means capable of storing and**

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delivering alternative fuel in conformance with any governmental or other nationally recognized standards that apply to the storage and handling of alternative fuel, as determined under standards adopted by the office under section 12(1) of this chapter.

Sec. 3. As used in this chapter, "fueling station" refers to tangible property (other than a building and its structural components) that:

(1) consists of:

- (A) a tank or other storage unit;
- (B) a pump or other dispensing equipment; and
- (C) other components; and

(2) is used by:

- (A) a person engaged in the business of selling motor fuel at retail, to enable motor fuel to be dispensed directly into the fuel tank of a customer's motor vehicle;
- (B) a person engaged in a business, other than a business described in clause (A), to enable motor fuel to be dispensed directly into the fuel tank of a motor vehicle, if the fueling station is accessible to members of the public; or
- (C) a unit to enable motor fuel to be dispensed directly into the fuel tank of a motor vehicle, regardless of whether the fueling station is accessible to members of the public.

Sec. 4. As used in this chapter, "location" refers to one (1) or more parcels of land that:

- (1) have a common access to a public highway; and
- (2) are or would appear to the reasonable person making an observation from a public highway to be part of the same business.

Sec. 5. (a) As used in this chapter, "motor fuel" has the meaning set forth in IC 6-6-4.1-1(g).

(b) The term includes alternative fuel.

Sec. 6. As used in this chapter, "motor vehicle" has the meaning set forth in IC 15-11-11-4.

Sec. 7. As used in this chapter, "office" refers to the office of energy and defense development.

Sec. 8. As used in this chapter, "qualified investment" refers to an ordinary and usual expense that is incurred after June 30, 2009, to purchase any part of an alternative fuel compatible fueling station for the purpose of:

- (1) installing a new alternative fuel compatible fueling station at a location on which a fueling station is not located; or

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- (2) replacing an existing fueling station that is not an alternative fuel compatible fueling station with a fueling station that is an alternative fuel compatible fueling station.

**Sec. 9.** As used in this chapter, "unit" means a county, city, town, township, or school corporation.

**Sec. 10. (a)** Subject to subsections (b) and (c), the office may award a grant under this chapter to a person or unit that:

- (1) makes a qualified investment; and
- (2) places the alternative fuel compatible fueling station for which the qualified investment was made into service;

in Indiana for the dispensing of alternative fuel into the fuel tanks of motor vehicles.

**(b)** A recipient of a grant awarded under this chapter must comply with any guidelines developed by the office in connection with grants awarded under this chapter.

**(c)** The office may not award more than one (1) grant under this chapter for a single location.

**Sec. 11. (a)** Subject to subsection (b) and section 13 of this chapter, the office shall determine the amount of each grant awarded under this chapter.

**(b)** The amount of a grant awarded under this chapter for a location may not exceed the lesser of the following:

- (1) The amount of the grant recipient's qualified investment for the location.
- (2) Twenty thousand dollars (\$20,000).

**(c)** The amount of a grant awarded under this chapter for a location may be less than the amount of the grant recipient's qualified investment for the location.

**Sec. 12.** The office shall do the following:

- (1) Adopt guidelines to determine standards for awarding grants under this chapter, including standards for determining whether a fueling station complies with applicable governmental or other nationally recognized standards that apply to the storage and handling of alternative fuel.
- (2) Prepare and supervise the issuance of public information concerning the grant program established under this chapter.
- (3) Prescribe the form for and regulate the submission of applications for grants under this chapter.
- (4) Determine an applicant's eligibility for a grant under this chapter.

**Sec. 13.** The total amount of grants awarded under this chapter

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for all state fiscal years may not exceed one million dollars (\$1,000,000).

**Sec. 14. (a)** The alternative fuel fueling station grant fund is established to provide grants under this chapter. The fund shall be administered by the office.

**(b)** The fund consists of:

- (1)** money appropriated to the fund by the general assembly;
- (2)** money received from state or federal grants or programs for alternative fuels projects; and
- (3)** donations, gifts, and money received from any other source, including transfers from other funds or accounts.

**(c)** The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.

**(d)** Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for purposes of this chapter.

**(e)** Money in the fund is continuously appropriated for the purposes of this chapter.

**Sec. 15.** A grant awarded under this chapter is not subject to taxation under IC 6-3-1 through IC 6-3-7.

**Sec. 16.** A grant awarded under this chapter does not reduce the basis of the qualified property for purposes of determining any gain or loss on the property when the grant recipient disposes of the property.

SECTION 2. IC 4-4-32.3 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2009]:

**Chapter 32.3. Alternative Fuel Vehicle Grant Program for Local Units**

**Sec. 1.** As used in this chapter, "alternative fuel" means liquefied petroleum gas, a compressed natural gas product, or a combination of liquefied petroleum gas and a compressed natural gas product, not including a biodiesel fuel or biodiesel blend, used in an internal combustion engine or a motor to propel a motor vehicle (as defined in IC 15-11-11-4). The term includes all forms of fuel commonly or commercially known or sold as butane, propane, or compressed natural gas.

**Sec. 2.** As used in this chapter, "alternative fuel conversion kit" means any equipment used to convert a motor vehicle (as defined in IC 15-11-11-4) that is not an alternative fuel vehicle into an alternative fuel vehicle, in conformance with any applicable

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governmental or other nationally recognized safety or design standards, as determined under standards adopted by the office under section 8(1) of this chapter.

**Sec. 3.** As used in this chapter, "alternative fuel vehicle" means any motor vehicle (as defined in 15-11-11-4) that is designed to operate:

- (1) on alternative fuel alone; or
- (2) on alternative fuel alternately with another fuel source; in conformance with any applicable governmental or other nationally recognized safety or design standards, as determined under standards adopted by the office under section 8(1) of this chapter.

**Sec. 4.** As used in this chapter, "office" refers to the office of energy and defense development.

**Sec. 5.** As used in this chapter, "qualified purchase" refers to the purchase by a unit after June 30, 2009, of any of the following:

- (1) One (1) or more alternative fuel vehicles.
- (2) One (1) or more alternative fuel conversion kits, including any installation costs.

**Sec. 6.** As used in this chapter, "unit" means a county, city, town, township, or school corporation.

**Sec. 7. (a)** Subject to subsections (d) and (e), the office may award a grant under this chapter to a unit that makes a qualified purchase.

**(b)** Subject to subsection (c) and section 9 of this chapter, the amount of a grant that may be awarded under this chapter to a unit equals the amount determined under STEP FOUR of the following formula:

**STEP ONE:** Determine the product of:

- (A) two thousand dollars (\$2,000); multiplied by
- (B) the number of alternative fuel vehicles purchased by the unit.

**STEP TWO:** For each alternative fuel conversion kit purchased by the unit, determine the lesser of:

- (A) two thousand dollars (\$2,000); or
- (B) the actual cost of the alternative fuel conversion kit.

**STEP THREE:** Determine the sum of all amounts determined under STEP TWO.

**STEP FOUR:** Add the amounts determined under STEPS ONE and THREE.

**(c)** In the guidelines adopted by the office under section 8(1) of this chapter, the office may limit the:

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- (1) number of alternative fuel vehicles; or
  - (2) number of alternative fuel conversion kits;
- for which a unit may receive a grant under this chapter.
- (d) A recipient of a grant awarded under this chapter must comply with any guidelines developed by the office in connection with grants awarded under this chapter.
  - (e) The office may not award more than one (1) grant under this chapter to any one (1) unit.

**Sec. 8. The office shall do the following:**

- (1) Adopt guidelines to determine standards for awarding grants under this chapter, including standards for determining whether an alternative fuel vehicle or an alternative fuel conversion kit complies with applicable governmental or other nationally recognized standards.
- (2) Prepare and supervise the issuance of information to units concerning the grant program established under this chapter.
- (3) Prescribe the form for and regulate the submission of applications for grants under this chapter.
- (4) Determine an applicant's eligibility for a grant under this chapter.

**Sec. 9. The total amount of grants awarded under this chapter for all units may not exceed one million dollars (\$1,000,000).**

**Sec. 10. (a) The local unit alternative fuel vehicle grant fund is established to provide grants under this chapter. The fund shall be administered by the office.**

**(b) The fund consists of:**

- (1) money appropriated to the fund by the general assembly;
- (2) money received from state or federal grants or programs for alternative fuels projects; and
- (3) donations, gifts, and money received from any other source, including transfers from other funds or accounts.

**(c) The treasurer of state shall invest the money in the fund not currently needed to meet the obligations of the fund in the same manner as other public funds may be invested.**

**(d) Money in the fund at the end of a state fiscal year does not revert to the state general fund but remains in the fund to be used exclusively for purposes of this chapter.**

**(e) Money in the fund is continuously appropriated for the**

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**purposes of this chapter."**

Renumber all SECTIONS consecutively.

(Reference is to HB 1554 as introduced.)

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